

10017

Financial Report

*Warren Easton Senior High School
Foundation, Inc.*

June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/28/09



Bourgeois Bennett

Certified Public Accountants | Consultants
A Limited Liability Company

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New Orleans, Louisiana

June 30, 2008

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Warren Easton Senior High School Foundation, Inc.,
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of Warren Easton Senior High School Foundation, Inc. (the School), as of June 30, 2008, and the related statements of activities and cash flows for year ended June 30, 2008. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from the 2007 financial statements and in our report dated February 13, 2008, we expressed an unqualified opinion of those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warren Easton Senior High School Foundation, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year ended June 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated December 29, 2008, on our consideration of Warren Easton Senior High School Foundation, Inc.'s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Warren Easton Senior High School Foundation, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bourgeois Bennett, LLC.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2008.

STATEMENT OF FINANCIAL POSITION

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

June 30, 2008
(With comparative totals for 2007)

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 4,221,503	\$ 4,587,906
Grants receivable	3,513,746	1,387,130
Unconditional promises to give	-	100,000
Miscellaneous receivable	65,554	3,445
Prepaid expenses	88,062	29,750
Property and equipment - net	<u>1,459,251</u>	<u>156,459</u>
Total assets	<u>\$ 9,348,116</u>	<u>\$ 6,264,690</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 165,973	\$ 52,453
Funds due to grantor	<u>80,292</u>	<u>79,545</u>
Total current liabilities	<u>246,265</u>	<u>131,998</u>
NET ASSETS		
Unrestricted	9,027,375	5,998,973
Temporarily restricted	<u>74,476</u>	<u>133,719</u>
Total net assets	<u>9,101,851</u>	<u>6,132,692</u>
Total liabilities and net assets	<u>\$ 9,348,116</u>	<u>\$ 6,264,690</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Warren Easton Senior High School Foundation, Inc.**
New Orleans, LouisianaFor the year ended June 30, 2008
(With comparative totals for 2007)

	Unrestricted	Temporarily Restricted	2008 Totals	2007 Totals Only
Revenues and Other Support				
Contributions	\$ 39,531	\$ 190,315	\$ 229,846	\$ 799,111
Grants:				
Federal	3,271,975		3,271,975	3,049,913
State	107,657		107,657	-
Local - Minimum Foundation Program	3,340,971		3,340,971	2,870,208
State - Minimum Foundation Program	2,769,869		2,769,869	3,016,728
Other	316,442	20,000	336,442	100,938
Student activity fees	499,270		499,270	372,622
Interest income	192,613		192,613	97,541
Other revenue	55,183		55,183	4,387
Net assets released from restrictions	269,558	(269,558)	-	-
Total revenues and other support	10,863,069	(59,243)	10,803,826	10,311,448
Expenses				
Salaries	3,729,895		3,729,895	2,537,772
Employee benefits	868,818		868,818	547,024
Supplies:				
Instructional	891,207		891,207	474,645
Other	270,075		270,075	92,388
Student activities	566,544		566,544	384,233
Professional services	368,224		368,224	40,845
Transportation services	355,697		355,697	18,805
Utilities	186,213		186,213	133,976
Shared services	140,094		140,094	264,011
Depreciation	133,850		133,850	11,598
Insurance	110,868		110,868	66,039
Repairs and maintenance	80,632		80,632	31,007
Janitorial	53,472		53,472	110,948
Miscellaneous	50,436		50,436	23,638
Travel	22,739		22,739	-
Equipment rental	5,903		5,903	4,995
Total expenses	7,834,667	-	7,834,667	4,741,924
Increase in net assets	3,028,402	(59,243)	2,969,159	5,569,524
Net Assets				
Beginning of year	5,998,973	133,719	6,132,692	563,168
End of year	\$ 9,027,375	\$ 74,476	\$ 9,101,851	\$ 6,132,692

See notes to financial statements.

STATEMENT OF CASH FLOWS

Warren Easton Senior High School Foundation, Inc.
 New Orleans, Louisiana

For the year ended June 30, 2008
 (With comparative totals for 2007)

	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 2,969,159	\$ 5,569,524
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Contribution of leasehold improvements	-	(50,912)
Depreciation	133,850	11,598
Increase in assets:		
Grants receivable	(2,126,616)	(1,387,130)
Miscellaneous receivable	(62,109)	(3,445)
Prepaid expenses	(58,312)	(29,750)
Increase in liabilities:		
Accounts payable and accrued expenses	114,267	131,998
Contributions restricted for the acquisition of property and equipment	<u>(60,000)</u>	<u>(221,709)</u>
Net cash provided by operating activities	910,239	4,020,174
Cash Flows From Investing Activities		
Purchases of property and equipment	(1,436,642)	(117,145)
Cash Flows From Financing Activities		
Collections of contributions received for the acquisition of property and equipment	<u>160,000</u>	<u>121,709</u>
Net Increase(Decrease) in Cash	(366,403)	4,024,738
Cash and Cash Equivalents		
Beginning of year	<u>4,587,906</u>	<u>563,168</u>
End of year	<u>\$ 4,221,503</u>	<u>\$ 4,587,906</u>
Supplemental Disclosures of Cash Flows Information		
Non cash investing and financing activities		
Contribution of leasehold improvements	<u>\$ -</u>	<u>\$ 50,912</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

June 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Warren Easton Senior High School Foundation, Inc. d/b/a Warren Easton Senior High School (the School), incorporated on March 21, 2006, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods and a variety of governance, management, and administrative structures, be more thoroughly accountable for educational results, and create new professional opportunities for teachers and other school employees.

The Orleans Parish School Board (OPSB) approved the granting of a charter to the School effective May 16, 2006 for a period ending on June 30, 2011, to operate a Type 3 Charter School, as defined in LA R.S.17:3973(3)(b).

b. Basis of Accounting

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

c. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified specific use of the contribution.

The School classifies as cash and cash equivalents all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

e. Grants Receivable

The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

f. Promises to Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All promises to give are recognized as assets and revenues. The School did not have any promises to give at June 30, 2008. For the year ended June 30, 2007, promises to give totaled \$100,000.

g. Property, Equipment, and Depreciation

Additions to physical plant and facilities are capitalized in accordance with the Louisiana Accounting and Uniform Governmental Handbook, which requires the School to capitalize equipment purchases with a cost greater than \$1,000. Asset additions acquired are stated at cost, net of accumulated depreciation. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Compensated Absences

All employees accrue 10 days of leave each year. At the end of the year, unused days are rolled over to the Teacher's Retirement System of Louisiana (TRSL). Warren Easton does not compensate employees for unused sick days.

i. Contributions and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

j. In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. For the year ended June 30, 2008, in-kind support for instructional supplies and professional services was \$20,109. For the year ended June 30, 2007, in-kind support for donations of athletic equipment, books, school supplies, furniture, backpacks, and other items was \$240,504. For the year ended June 30, 2007, in-kind support of \$50,912 was received for donated leasehold improvements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Donated Services of Volunteers

Numerous volunteers have donated time and services to the School's fundraising efforts. However, no amounts have been reflected in the financial statements for such services as management feels that the requirements of Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made", for recording in-kind services have not been satisfied.

l. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the School has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of the School.

Temporarily Restricted Net Assets - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

m. Tax Matters

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the School has unrelated trade or business income.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

o. Allocated Expenses

The costs of providing the various programs and other activities are summarized in Note 10. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

Note 2 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors.

Temporarily restricted net assets at June 30, 2008 and 2007 are for the following purposes:

	<u>2008</u>	<u>2007</u>
Instructional and other	\$ 74,476	\$ 5,200
Property and equipment	<u>-</u>	<u>128,519</u>
Total temporarily restricted assets	<u>\$ 74,476</u>	<u>\$ 133,719</u>

The School does not have permanently restricted net assets as of June 30, 2008.

Note 3 - CONCENTRATION OF CREDIT RISK

The School maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000 per institution. At June 30, 2008 and 2007, cash deposits in excess of the insured limit approximated \$540,000 and \$4,637,000, respectively.

At June 30, 2008, the School maintained a balance of \$4,076,663 in the Federated Government Obligations Tax Managed Fund.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of amounts due from fundraising efforts restricted to rebuilding the auditorium. All amounts are due within one year. The school did not have any unconditional promises to give at June 30, 2008. The amounts totaled \$100,000 at June 30, 2007.

Note 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2008</u>	<u>2007</u>
Leasehold improvements	\$ 353,360	\$ 50,912
Computers	1,251,339	42,145
Construction in Progress	<u>-</u>	<u>75,000</u>
Total	1,604,699	168,057
Accumulated Depreciation	<u>(145,448)</u>	<u>(11,598)</u>
Net book value	<u>\$ 1,459,251</u>	<u>\$ 156,459</u>

Depreciation expense for the year ended June 30, 2008 and 2007 totaled \$133,850 and \$11,598, respectively.

Note 6 - LINE OF CREDIT

The School maintained a \$1,750,000 line of credit with Gulf Coast Bank and Trust Company, which bears interest at the Wall Street Journal prime rate, but not less than 7% per annum (7.0% at June 30, 2008) due March 26, 2009. The line of credit is secured by substantially all deposits held by the financial institution. At June 30, 2008, the School had no outstanding borrowing under the line of credit.

Note 7 - RETIREMENT PLAN

Substantially all employees of the School participate in the Teacher's Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll. For the years ended June 30, 2008 and 2007, the School is required to contribute 16.6% and 15.8%, respectively, of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the years ended June 30, 2008 and 2007, the School contributions to this plan totaled \$563,922 and \$353,656, respectively.

Note 8 - GRANTS

The United States Department of Education awarded a grant to Louisiana Department of Education, which was awarded to the school as a subrecipient, to support the planning, development, and initial implementation of the Charter School. The grant funds must be used to plan and implement a charter school. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$69,986 and \$196,849, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the school as a subrecipient, to help ensure that all children meet challenging State academic standards. The grant funds must be used to provide additional academic support and learning opportunities to help low-achieving children master challenging curricula and meet state standards in core academic subjects. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$2,256,406 and \$55,463, respectively.

Note 8 - GRANTS (Continued)

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the school as a subrecipient, to assist school administrators and personnel in restarting school operations, reopening schools and reenrolling students. The grant funds must be used for recovery of information, financial operations, replacement of instructional materials, redevelopment of instructional plans, and initiating and maintaining education and support services. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$336,780 and \$2,705,003, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the school as a subrecipient, to increase academic achievement through strategies such as improving teacher and principal quality and increase the number of highly qualified teachers, principles, and assistant principles. The grant funds must be used to assist schools in effectively recruiting and retaining highly qualified teachers, to make available professional development activities that address subject matter knowledge and other activities. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$248,129 and \$4,931, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the school as a subrecipient, to assist in the reform of elementary and secondary education. The grant funds must be used to support education reform efforts, implement promising educational reform programs and school improvement programs which rely on scientifically based research, provide a continuing source of innovation and educational improvement including support programs, that provide library services and instructional and media materials, meet the educational needs of all students, including at-risk youths, and develop and implement education programs to improve school, student and teacher performance, including professional development activities, and class-size reduction programs. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$175,986 and \$86,458, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the school as a subrecipient, to assist in the long term planning needs of the school. The grant funds must be used to address both current needs for educational success and the long term planning needs of the school. For the year ended June 30, 2008, the School recognized revenue under this grant of \$164,920. For the fiscal year ended June 30, 2007, the School did not recognize revenue under this grant.

Note 8 - GRANTS (Continued)

The United States Department of Education passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to provide a disciplined environment conducive to learning, by preventing violence in and around the school and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, and involve parents. The grant funds must be used to convey a clear and consistent message that illegal use of alcohol and other drugs is wrong and harmful. For the year ended June 30, 2008, the School recognized revenue under this grant of \$19,768. For the fiscal year ended June 30, 2007, the School did not recognize revenue under this grant.

The Corporation for National and Community Service awarded a grant to the State of Louisiana, which was awarded to the school as a subrecipient, to encourage elementary and secondary schools to create, develop, and offer service-learning opportunities for school-age youth, educate teachers about service-learning, incorporate service-learning opportunities into classrooms to enhance academic learning, coordinate adult volunteers in schools, and introduce young people to a broad range of careers and encourage them to pursue further education and training. The grant funds must be used for planning and capacity building, operating and expanding service-learning programs through grants to local partnerships, implementing and expanding school-based programs involving adult volunteers to use service-learning to improve the education of students, and providing training and technical assistance to qualified organizations. For the fiscal year ended June 30, 2008, the School did not recognize revenue under this grant. For the year ended June 30, 2007, the School recognized revenue under this grant of \$1,209.

The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. This state-funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$2,769,869 and \$3,016,728, respectively.

The Orleans Parish School Board (OPSB) provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. Revenues received by OPSB from sales tax revenues, ad valorem taxes, and other sources are allocated to each school based on its enrollment. For the years ended June 30, 2008 and 2007, the School recognized revenue under this grant of \$3,340,971 and \$2,870,208, respectively.

Note 9 - SCHOOL OPERATIONS/LEASEHOLD INTEREST

Effective May 16, 2006 the School entered into an agreement with the Orleans Parish School Board (OPSB), which allows the School to use the facilities and its contents located at 3019 Canal Street, New Orleans, LA 70119, or any other locations as may be approved by the School and OPSB. This agreement expires on June 30, 2011. The agreement may be renewed at the option of OPSB.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the Orleans Parish School Board at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

Use of the property is not recorded as an in-kind contribution from the Orleans Parish School Board and related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Note 10 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been reported on the statement of activities by natural classification. To present expenses by functional classifications, expenses are charged to program services and supporting services (management and general expense and fundraising expense) based on management's estimate of periodic time and expense evaluations. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

Note 10 - FUNCTIONAL ALLOCATION OF EXPENSES (Continued)

Total expenses for the years ended June 30, 2008 and 2007 are allocated as follows:

	<u>2008</u>	<u>2007</u>
Program Services	\$ 6,992,447	\$ 4,250,783
Supporting Services:		
Management and general	625,089	370,490
Fundraising	<u>217,131</u>	<u>120,651</u>
Total expenses	<u>\$ 7,834,667</u>	<u>\$ 4,741,924</u>

Note 11 - COMMITMENTS

The School has employment contracts as are standard in the field of education with most of its employees. The contracts for the current year expired June 30, 2008. All contracts provide for a minimum annual salary and other benefits.

Note 12 - RISK MANAGEMENT

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2008.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Warren Easton Senior High School Foundation, Inc.,
New Orleans, Louisiana.

We have audited the financial statements of Warren Easton Senior High School Foundation, Inc. (the School), as of June 30, 2008 and for the year then ended, and have issued our report thereon, dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies and which are described in the accompanying schedule of findings and questioned costs as items 08-01 through 08-10.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 08-01 through 08-10 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be a material weakness. However, we believe that the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as items 08-11 through 08-13.

The School's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended for the information of management, the Board of Directors, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2008.



Bourgeois Bennett

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,
Warren Easton Senior High School Foundation, Inc.,
New Orleans, Louisiana.

Compliance

We have audited the compliance of Warren Easton Senior High School Foundation, Inc. (the School), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2008. The School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

As described in items 08-11 through 08-13, in the accompanying schedule of findings and questioned costs, the School did not comply with certain requirements applicable to Title I - Grants to Local Educational Agencies and Hurricane Education Recovery-Restart. Compliance with such requirements is necessary, in our opinion, for the School to comply with the requirements applicable to those federal programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the School complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year then ended June 30, 2008.

Internal Control Over Compliance

The management of the School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the School's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in the School's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-02, 08-05 through 08-07, 08-9, and 08-11 through 08-13.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 08-02, 08-05 through 08-07, 08-9, and 08-11 through 08-13 to be material weaknesses.

The School's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, the State of Louisiana, the Legislative Auditor for the State of Louisiana, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2008.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

For the year ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education:		
<u>Pass-Through Program From:</u>		
<u>Louisiana Department of Education</u>		
Public Charter School Federal Grant Program:		
Public Charter School Program	84.282A	\$ 69,986
United States Department of Education:		
<u>Pass-Through Program From:</u>		
<u>Louisiana Department of Education</u>		
<u>Orleans Parish School Board</u>		
Title I Grants to Local Educational Agencies	84.010A	2,239,711
Elementary and Secondary Education		
Hurricane Relief - Immediate Aid		
to Restart School Operations	84.938A	336,780
Title II Improving Teacher Quality State Grants	84.367	248,128
Title V State Grants for Innovative Programs	84.298A	175,720
Hurricane Katrina Foreign Contributions	84.940C	164,920
Title IV Safe and Drug Free Schools and		
Communities State Grants	84.186A	19,159
Total United States Department of Education		3,184,418
Total expenditures of federal awards		\$ 3,254,404

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

For the year ended June 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Warren Easton Senior High School Foundation Inc. and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School has met the cost reimbursement of funding qualifications for the respective grants. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, the amount presented in the schedule may differ from the amount presented in, or used in the preparation of, the financial statements.

b. Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the School. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

c. Payments to Subrecipients

There were no payments to subrecipients for the year ended June 30, 2008.

Note 2 - FINDINGS OF NONCOMPLIANCE

Findings of noncompliance are disclosed in the accompanying schedule of findings and questioned costs as findings 08-02, 08-05 through 08-07, 08-9, and 08-11 through 08-13.

**Note 3 - RECONCILIATION OF FEDERAL GRANT REVENUE TO EXPENDITURES OF
FEDERAL AWARDS**

Expenditures of Federal awards during the year ended June 30, 2008	\$ 3,254,404
Expenses incurred during the year ended June 30, 2007 but not billed until 2008	<u>17,571</u>
Total federal grant revenue	<u>\$ 3,271,975</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

For the year ended June 30, 2008

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

b) Federal Awards

Internal control over major program:

- Material weakness(es) identified? X yes no
- Significant deficiency(s) identified that are not considered to be material weakness? yes X none reported

Type of auditor's report issued on compliance for major programs: qualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 X yes no

Section I - Summary of Auditor's Report (Continued)**c) Identification of Major Program:**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	U.S. Department of Education - Title I - Grants To Local Educational Agencies
84.938A	U.S. Department of Education - Hurricane Education Recovery - Restart

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**Internal Control Over Financial Reporting****08-01 Preparation of Financial Statements and Disclosures**

Criteria - Adequate internal controls in relation to financial reporting require the School to have the ability to prepare its own financial statements in accordance with generally accepted accounting principles (GAAP), including all required footnote disclosures, or detect misstatements or errors in statements prepared by others.

Condition - Financial statements and required disclosures were prepared by the auditors.

Cause - Due to time constraints, GAAP basis financial statements and related disclosures were not prepared.

Effect - The independent auditor cannot be part of the School's internal control over financial reporting.

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-01 Preparation of Financial Statements and Disclosures (Continued)

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-02 Lack of Segregation of Duties in Payroll

Criteria - Adequate internal controls relating to the payroll process, payroll account bank reconciliations and payroll general ledger postings, require that specific procedures be in place to ensure there is no misappropriation of the School's assets.

Condition - The communication with the outside payroll service, transfers of funds into the payroll account and the recording of payroll related entries in the general ledger are performed by the same employee. The same employee also receives the payroll bank statements and reconciles the statement without management oversight. In addition, bank reconciliations are not documented as approved by a management level employee.

Cause - Lack of segregation of duties in the payroll related functions of the School.

Effect - The lack of adequate internal controls relating to the School's payroll related functions could result in School assets being misappropriated and/or the financial statements being materially misstated.

Recommendation - The School should implement adequate internal controls relating to the payroll related functions and payroll bank reconciliation process in the form of segregation of duties. Payroll registers and payroll master file changes should be reviewed by management and the review should be documented on the register and master file. Payroll bank reconciliations should be performed by another employee or at a minimum reviewed by management which documentation to support the review. There should be management oversight to ensure the School is complying with its policies and procedures and to ensure the School's assets are not misappropriated.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-03 Bank Reconciliations

Criteria - An adequate internal control structure requires accurate and timely bank reconciliations to ensure all transactions are properly recorded and that the cash accounts do not contain any errors.

Condition - A bank reconciliation was not maintained for the Foundation Checking Account. Bank reconciliations are not reviewed and approved by either the Financial Officer or management, and bank reconciliations prepared by the Financial Officer and not reviewed and approved by management.

Cause - The bank reconciliation for the Foundation Checking Account was not available. There is no approval process for bank reconciliations.

Effect - The failure to compare the reconciled balance with the cash trial balance may allow errors and/or irregularities to exist without being identified and corrected.

Recommendation - The School should implement an adequate control environment which includes written policies and procedures regarding the bank reconciliation process.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-04 Bank Account Transfers

Criteria - An adequate internal control structure requires transfers to and from the bank accounts to be reviewed by a management level employee other than the employee initiating the transfer to ensure all transfers are accurate and proper.

Condition - A transfer from the operating account to the payroll account was duplicated.

Cause - The duplicate transfer from the operating account to the payroll account was not reviewed by management for accuracy or propriety.

Effect - Funds available for operations were deposited in the payroll account.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-04 Bank Account Transfers (Continued)

Recommendation - The School should implement a control environment which includes written policies and procedures regarding the bank transfer process. The amount computed by the payroll processing company for each pay period should be approved by management, agreed to the payroll register, and agreed to the payroll bank statement at the end of the month.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-05 General Ledger Account Reconciliations

Criteria - An adequate internal control structure requires the timely and accurate reconciliation of selected general ledger accounts on a monthly basis to ensure all transactions are properly recorded and do not contain errors.

Condition - Grant revenue, expense, and receivable accounts were not accurately reconciled to grant reimbursement requests, bank reconciliations included several old outstanding checks which have not been investigated or written off, repairs and maintenance accounts included charges for leasehold improvements, and student activity accounts were not accurately reconciled.

Cause - Due to a shortage of personnel, the School did not maintain a control environment whereby account reconciliations and general ledger accounts were reviewed for accuracy.

Effect - The failure to properly reconcile general ledger accounts in a timely and accurate manner could allow errors and/or irregularities to exist without being identified or corrected. The information in the general ledger was incorrect and, therefore, management decisions made during the fiscal year were based on inaccurate information.

Recommendation - The School should implement adequate controls relating to the timely and accurate reconciliation of general ledger accounts.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-05 General Ledger Account Reconciliations (Continued)

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-06 Timely Submission of Grant Reimbursement Requests

Criteria - Adequate internal controls require that specific procedures be in place to ensure that eligible expenses incurred under federal programs be properly submitted for reimbursement on a timely basis and are properly monitored and approved.

Condition - Grant reimbursement requests eligible for the fiscal year end June 30, 2008 charges were not submitted to Orleans Parish School Board on a timely basis. In addition, there are no monitoring controls in place to insure that eligibility expenses are submitted for reimbursement. As a result, audit adjustments were required to reconcile grant revenue and receivable balances.

Cause - Grant reimbursement requests for various eligible grant expenses incurred during the fiscal year ended June 30, 2008 had not been prepared or submitted to Orleans Parish School Board.

Effect - The lack of adequate internal controls relating to the preparation of the grant reimbursements could result in lost revenue for the School. Also, the failure to adjust revenue and receivable accounts may lead to materially misstated financial statements.

Recommendation - The School should prepare grant reimbursement requests on a timely basis and management should provide oversight of this process.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-07 Journal Entries

Criteria - A good system of internal controls would include a supervisory review and approval of all journal entries prior to posting to the general ledger. The number of journal entries should be limited when possible.

Condition - We noted an excessive amount of journal entries. Journal entries were reversed and duplicated. There is an inadequate review process for journal entries to be posted into the general ledger system at the School. The Financial Officer has the authority to post journal entries without adequate supervisory review. Consequently, erroneous and duplicate journal entries have been posted to the general ledger.

Cause - Lack of appropriate supervision and review of journal entries posted to the general ledger.

Effect - Without adequate internal controls and supervisory review of journal entries prior to posting, errors, irregularities, and/or duplications could exist and not be detected timely.

Recommendation - The School should establish adequate internal control procedures to ensure all journal entries are reviewed and approved prior to posting.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-08 Financial Reporting and Monitoring - Student Activities Fund

Criteria - For purposes of monitoring the financial condition and operations of the School, the financial statements of the Student Activities Fund should provide year to date information, and be available for management and presented to the Board Members for their review on an interim basis. Presently, information is provided on a monthly basis without year to date totals. Additionally, the financial statements presented should be complete and accurate.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-08 Financial Reporting and Monitoring - Student Activities Fund (Continued)

Condition - The School did not prepare and provide interim financial statements which included year to date information to the Board during the 2008 fiscal year. Additionally, the untimely recording of financial information, including recording of fund balance, revenues, and expenses made any information provided to the Board unreliable.

Cause - The School was not including the Student Activities Fund in financial statements of the School. In addition, the Student Activities Fund revenues and expenses, and net assets were not properly recorded in the general ledger.

Effect - Without on-going oversight of the financial operations of the Student Activities Fund, Board members would be unaware of actual results of the School's finances or even potential irregularities.

Recommendation - The School should include the financial statements of the Student Activities Fund with the operations of the School for a complete financial statement presentation of a monthly basis. The School should implement control procedures to ensure the revenues, expenses, and net assets of the Student Activities Fund are properly adjusted and recorded in the general ledger. In addition, detailed operating statements for the Foundation and Student Activities Fund should be presented and reviewed at finance committee meetings.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-09 Grant Receivable

Criteria - Adequate internal controls relating to grant receivables require that specific procedures be in place to ensure that receivables are properly recorded and supported on a timely basis.

Condition - Internal controls relating to the accounting for grant receivables and revenues are ineffective. The grants receivable accounts required adjustments totaling \$170,486 resulting from the lack of reconciliation of the reimbursement requests. In addition, adjustments were recorded to reclassify between expense and revenues.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-09 Grant Receivable (Continued)

Cause - The School is not effectively monitoring and reconciling grant receivable balances.

Effect - The lack of adequate internal controls relating to the grants receivable function could result in the financial statements being materially misstated and/or unreliable for management's use.

Recommendation - The School should record the grant receivable balance from the reimbursement request forms. The grant receivable account should be reconciled on a monthly basis and the reconciliation should be documented as approved by management.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-10 Lack of Capitalization of Fixed Assets

Criteria - Adequate internal controls require that specific procedures be in place to ensure charges for fixed asset additions are properly capitalized and depreciated over the life of the asset. In addition, adequate internal controls require the schedule of fixed assets and depreciation be reconciled to the general ledger on a timely basis.

Condition - As of June 30, 2008, leasehold improvements additions were not recorded. The fixed asset account required adjustments totaling \$227,448 resulting from charges that met the criteria for capitalization.

Cause - The School is not properly capitalizing assets.

Effect - The lack of adequate internal control relating to the capitalization of assets could result in assets being misappropriated and/or the financial statements being materially misstated.

Recommendation - The School should review the expense accounts on a monthly basis and determine which charges meet its capitalization policy.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-10 Lack of Capitalization of Fixed Assets (Continued)

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

Compliance and Other Matters

Financial statement finding related to internal controls 08-05 through 08-07 are also considered findings related to compliance and other matters.

Section III - Internal Control And Compliance Material to Federal Awards

Internal Control/Compliance

Financial statement findings related to internal control 08-02, 08-05 through 08-07 and 08-09 are also considered findings related to federal awards internal control/compliance.

08-11 Overcharge of Benefit Expenses

Federal Program and Specific Award Identification:

Federal Program: Title I - Grants to Local Educational Agencies CFDA Number: 84.010

Criteria - Only actual and allowable costs incurred can be charged to a program (OMB Circular A-122 and the OMB Circular A-133 Compliance Supplement).

Condition - Based on the testing of benefit expenses, it was noted that pension costs were submitted for reimbursement for an employee who was not entitled to receive pension benefits. This resulted in an overcharge for benefit expenses.

Questioned Costs - \$41

Cause - The School did not maintain an adequate control environment to ensure reimbursement requests are accurate.

Section III - Internal Control And Compliance Material to Federal Awards (Continued)

Internal Control/Compliance (Continued)

08-11 Overcharge of Benefit Expenses (Continued)

Effect - The School did not comply with the requirements of OMB Circular A-122 for requesting funds in excess of expenses incurred.

Recommendation - The School should comply with the provisions of OMB Circular A-122. Reimbursement requests should only include the portion of employee benefits paid by the School. The School's controller should review the reimbursement requests to ensure all employee benefit expenses submitted for reimbursement include only actual expenses. The reimbursement requests should also be reviewed by management for propriety.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-12 Procurement for Goods and Services

Federal Program and Specific Award Identification:

Federal Program: Title I - Grants to Local Educational Agencies and Hurricane Education Recovery - Restart CFDA Numbers: 84.010 and 84.938A

Criteria - Non-profit organizations shall use procurement procedures that conform to applicable federal law and regulations and standards identified in OMB Circular A-110.

Condition - The School did not maintain documentation to support the rationale to limit competition in those cases where competition was limited. The School purchased goods and services in excess of amounts where state bid law requires sealed bids and advertisements and the School purchased goods and services in excess of amounts where the state bid law requires three phone bids. The vendors that provided the goods and services were deemed to be the sole providers for the specified goods or services.

Questioned Costs - Not applicable.

Cause - The School did not comply with the requirements of OMB Circular A-110 and maintain documentation to support the rationale to limit competition.

Section III - Internal Control And Compliance Material to Federal Awards (Continued)

Internal Control/Compliance (Continued)

08-12 Procurement for Goods and Services (Continued)

Effect - The School did not comply with the requirements of OMB Circular A-110 for procurement procedures.

Recommendation - The School should comply with the provisions of OMB Circular A-110. The School's should maintain documentation to support the rationale for limiting competition and maintain documentation which supports the position that the vendor is the sole provider of particular goods and services.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

08-13 Duplicate Payments of Invoices

Federal Program and Specific Award Identification:

Federal Program: Title I - Grants to Local Educational Agencies

CFDA Numbers: 84.010A

Criteria - An adequate internal control structure requires invoices to be cancelled when paid to prevent duplicate payments.

Condition - In two instances, duplicate payments were made for the same invoices and those expenses were incorrectly included on federal grant reimbursement requests.

Questioned Costs - \$747

Cause - Lack of adequate internal control procedures to ensure invoices are not paid a second time.

Effect - The failure to cancel invoices when paid could allow duplicate payments of invoices and allow errors and/or irregularities to exist without being identified or corrected. In addition, invoices paid twice could be incorrectly included for submission for federal reimbursement.

Section III - Internal Control And Compliance Material to Federal Awards (Continued)

Internal Control/Compliance (Continued)

08-13 Duplicate Payments of Invoices (Continued)

Recommendation - The School should implement adequate controls procedures whereby all paid invoices are cancelled via a "paid" stamp in order to prevent duplicate payments. During our testing it was noted that invoices are not marked as paid or cancelled and in two instances invoices were paid twice and submitted for reimbursement. In one of those instances the reimbursement was received during the year and the other was received subsequent to year end. This overcharge should be refunded to the grantor.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND
QUESTIONED COSTS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

For the year ended June 30, 2008

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements

Internal Control Over Financial Reporting

07-01 Lack of Adequate and Timely Accounting Procedures

Recommendation - The School should maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The School should develop a written accounting policy manual which includes month-end closing procedures along with formal approvals and other control procedures. Those in charge of governance should monitor the process to ensure compliance with the policies established.

Management's Corrective Action - Resolved. The School maintained a general ledger for the entire year and prepared interim internal financial statements.

07-02 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

Management's Corrective Action - Unresolved - Management and those in charge of governance will carefully review audited financial statements and related disclosures. For cost benefit reasons, management will rely on the independent auditor to identify related disclosures and prepare the financial statements in accordance with generally accepted accounting principles. (See 08-01).

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

07-03 Lack of Segregation of Duties In Cash Receipts

Recommendation - The School should implement adequate internal controls relating to the cash receipts function and cash reconciliation process in the form of a segregation of duties. There should be management oversight to ensure the School is complying with its policies and procedures and to ensure the School's assets are not misappropriated.

Management's Corrective Action - Resolved-Deposits are being made by the Financial Officer and the bank reconciliations are being prepared by the Business Manager.

07-04 Lack of Supporting Documentation for Journal Entries

Recommendation - The School should implement adequate internal controls relating to journal entry posting in the form of written policies and procedures. The policies and procedures should ensure journal entries are supported with written documentation and with proper approvals.

Management's Corrective Action - Partially Resolved -All journal entries have appropriate supporting documentation. Journal entries prepared by the Financial Officer are not approved by anyone. (See 08-07).

07-05 Lack of Supporting Documentation for Teacher Stipends

Recommendation - The School should implement adequate internal controls relating to stipend pay in the form of attached support and documentation procedures. All stipend pay for the individual pay periods should be supported with documentation and with proper approvals to ensure stipend pay is appropriate.

Management's Corrective Action - Resolved -Appropriate stipend pay support exists for stipends that are recorded on the payroll registers. The Financial Officer is attaching the appropriate stipend pay support to the Paychex report in which the stipend is paid.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

07-06 Lack of Supporting Documentation for Contributions

Recommendation - The School should implement an adequate internal control environment relating to contributions or in-kind donations. Documentation should be obtained for every contribution or in-kind donation to support the donor's intentions and to ensure proper recording in the general ledger.

Management's Corrective Action - Resolved - A donations account was created in the general ledger and adequate documentation is maintained for each donation. The donation schedules are reconciled to the general ledger by the Financial Officer. A schedule of in-kind donations is also maintained when applicable.

07-07 Bank Reconciliations

Recommendation - The School should implement an adequate control environment which includes written policies and procedures regarding the bank reconciliation process. Management should monitor the support for cash balances to ensure the financial statement balances can be relied upon.

Management's Corrective Action - Unresolved - See 08-03.

07-08 Student Activity Funds

Recommendation - The School should implement adequate controls relating to the recording of student activity funds and student assessed fees.

Management's Corrective Action - Resolved - The School implemented adequate controls to ensure that contributions are recorded in a separate general ledger account from student assessed fees.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

07-09 Prepaid Expenses

Recommendation - The School should calculate and reconcile prepaid expenses on a timely basis and the reconciliation should be documented as approved by management.

Management's Corrective Action - Resolved - The prepaid expense account has been reconciled monthly to the general ledger by the Financial Officer.

07-10 Grant Receivable

Recommendation - The School should record the grant receivable balance from the reimbursement request forms. The grant receivable account should be reconciled on a monthly basis and the reconciliation should be documented as approved by management.

Management's Corrective Action - Unresolved - The grant receivable accounts were not reconciled to the reimbursement requests. Many audit adjustments were required to correct grant receivable and revenues. (See 08-09).

07-11 Lack of Capitalization of Fixed Assets

Recommendation - The School should review the expense accounts on a monthly basis and determine which charges meet its capitalization policy.

Management's Corrective Action - Unresolved - The School is maintaining a fixed assets schedule including leasehold improvements, equipment, and software costing over \$1,000. However, some leasehold improvements were expensed during the year and audit adjustments were required to capitalize the charges. (See 08-10).

Compliance and Other Matters

Financial statement findings related to internal controls 07-04, 07-05, and 07-06 were also considered findings related to compliance and other matters.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

07-12 Audited Financial Statements Were Not Timely Filed

Recommendations - The audited financial statements should be filed on a timely basis with the Louisiana Legislative Auditor.

Management's Corrective Action - Resolved - The School files its financial statements timely to the legislative auditor.

Section II - Internal Control And Compliance Material to Federal Awards

Internal Control/Compliance

Financial statement findings related to internal controls 07-03, 07-05 and 07-10 are also considered findings related to federal awards internal control/compliance.

07-13 Restart Overcharged For Benefit Expenses

Recommendation - The School should comply with the provision of OMB Circular A-122. Reimbursement requests should include only the portion of employee benefits paid by the School. The School should review and compare the total expenses for benefits with the employee's withheld amounts to the payroll reports before submitting reimbursement requests to ensure requests are accurate. The reimbursement requests should be reviewed by management for propriety.

Management's Corrective Action - Resolved - The School has remitted the overpaid funds (\$70,838) to Orleans Parish School Board on December 22, 2008.

07-14 Restart Overcharged For Federal Unemployment Tax

Recommendation - The School should comply with the provisions of OMB Circular A-122 and discontinue requesting reimbursements for federal unemployment taxes which will be refunded.

Section II - Internal Control And Compliance Material to Federal Awards (Continued)

Internal Control/Compliance (Continued)

07-14 Restart Overcharged For Federal Unemployment Tax (Continued)

Management's Corrective Action - Resolved - The School has remitted the overpaid funds (\$5,555) to Orleans Parish School Board on December 22, 2008.

07-15 Public Charter School Program Duplicated Charges For Payroll Tax Expenses

Recommendation - The School should comply with the provisions of OMB Circular A-122. The School's management should review expenses submitted under each program to ensure expenses are not requested from duplicate sources.

Management's Corrective Action - Resolved - The School has remitted the overpaid funds (\$3,152) to Orleans Parish School Board on December 22, 2008.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2007.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

For the year ended June 30, 2008

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

08-01 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

Management's Corrective Action - Management will insure that financial statements are prepared and reviewed on a monthly basis.

08-02 Lack of Segregation of Duties In Payroll

Recommendation - The School should implement adequate internal controls relating to the payroll related functions and payroll bank reconciliation process in the form of segregation of duties. Payroll registers and payroll master file changes should be reviewed by management and the review should be documented on the register and master file. Payroll bank reconciliations should be performed by another employee or at a minimum reviewed by management which documentation to support the review. There should be management oversight to ensure the School is complying with its policies and procedures and to ensure the School's assets are not misappropriated.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting In Payroll (Continued)

08-02 Lack of Segregation of Duties In Payroll (Continued)

Management's Corrective Action - An additional staff member has been added to the School's grant and accounting staff to help with the increase needs and requirements of the School's accounting department. Procedures for the responsibilities involving the payroll processing, payroll account bank reconciliations, and payroll general ledger postings will be established so that the same employee does not handle the same duties or is reviewed and approved by a management level employee. The payroll registers report will be prepared by the financial office and then approved by the school principal before it is submitted to the payroll processing company. The payroll bank reconciliations will be completed by an accounting staff member and then reviewed and approved by the financial officer.

08-03 Bank Reconciliations

Recommendation - The School should implement an adequate control environment which includes written policies and procedures regarding the bank reconciliation process.

Management's Corrective Action - Written policies and procedures will be prepared for bank reconciliations and followed.

08-04 Payroll Account Transfers

Recommendation - The School should implement a control environment which includes written policies and procedures regarding the bank transfer process. The amount computed by the payroll processing company for each pay period should be approved by management, agreed to the payroll register, and agreed to the payroll bank statement at the end of the month.

Management's Corrective Action - Written policies and procedure will be prepared for bank account transfers from the operating account. The process will require that the principal or assistant principal sign a transfer reconciliation prior to the transfer.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-05 General Ledger Account Reconciliations

Recommendation - The School should implement adequate controls relating to the timely and accurate reconciliation of general ledger accounts.

Management's Corrective Action - The Financial Officer, who is a CPA, was hired in January 2008. The Grant Manager was hired in December 2008 to increase the accounting department staff, to support management, and to meet the School's accounting requirements.

08-06 Timely Submission of Grant Reimbursement Requests

Recommendation - The School should prepare grant reimbursement requests on a timely basis and management should provide oversight of this process.

Management's Corrective Action - The School hired a CPA as Financial Officer in January 2008 and a Grant Manager in December 2008. The computer software system obtained from Orleans Parish School Board became operational in December 2007. All of these factors should facilitate the timely submittal of grant reimbursement requests and appropriate oversight.

08-07 Journal Entries

Recommendation - The School should establish adequate internal control procedures to ensure all journal entries are reviewed and approved prior to posting.

Management's Corrective Action - Beginning in January 2009, all journal entries will be approved by a supervisor of the individual preparing the journal entries. Increased staff size should help with additional review and accuracy of information entered to the accounting system, minimizing the number of journal entries.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

08-08 Financial Reporting and Monitoring - Student Activities Fund

Recommendation - The School should include the financial statements of the Student Activities Fund with the operations of the School for a complete financial statement presentation of a monthly basis. The School should implement control procedures to ensure the revenues, expenses, and net assets of the Student Activities Fund are properly adjusted and recorded in the general ledger. In addition, detailed operating statements for the Foundation and Student Activities Fund should be presented and reviewed at finance committee meetings.

Management's Corrective Action - We will work with the School's Financial Officer to include the Student Activities Fund statements with the operations of the School in the monthly interim financials.

08-09 Grant Receivable

Recommendation - The School should record the grant receivable balance from the reimbursement request forms. The grant receivable account should be reconciled on a monthly basis and the reconciliation should be documented as approved by management.

Management's Corrective Action - A grant manager was added to our staff in December 2008. She will prepare grant reconciliations on a monthly basis that will be reviewed by the Financial Officer.

08-10 Lack of Capitalization of Fixed Assets

Recommendation - The School should review the expense accounts on a monthly basis and determine which charges meet its capitalization policy.

Management's Corrective Action - The School is reviewing its expense accounts on a monthly basis in fiscal 2009 to determine which charges meet its capitalization policy. A CPA was hired as Financial Officer in January 2008.

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Compliance and Other Matters

Financial statement finding related to internal controls 08-05 through 08-07 is also considered findings related to compliance and other matters.

Section II - Internal Control And Compliance Material to Federal Awards

Financial statement finding related to internal controls 08-02, 08-05 through 08-07 and 08-09 is also considered findings related to internal control and compliance material to federal awards.

Internal Control/Compliance

08-11 Overcharge of Benefit Expenses

Recommendation - The School should comply with the provisions of OMB Circular A-122. Reimbursement requests should only include the portion of employee benefits paid by the School. The School's controller should review the reimbursement requests to ensure all employee benefit expenses submitted for reimbursement include only actual expenses. The reimbursement requests should also be reviewed by management for propriety.

Management's Corrective Action - Additional staff was hired, including a CPA as Financial Officer and a Grant Manager. These additions will improve and supplement the review process helping to avoid and eliminate errors of this type.

08-12 Procurement for Goods and Services

Recommendation - The School should comply with the provisions of OMB Circular A-110. The School's should maintain documentation to support the rationale for limiting competition and maintain documentation which supports the position that the vendor is the sole provider of particular goods and services.

Management's Corrective Action - We will record this information as part of our documentation going forward.

Section II - Internal Control And Compliance Material to Federal Awards (Continued)

Internal Control/Compliance (Continued)

08-13 Duplicate Payments of Invoices

Recommendation - The School should implement adequate controls procedures whereby all paid invoices are cancelled via a "paid" stamp in order to prevent duplicate payments. During our testing it was noted that invoices are not marked as paid or cancelled and in two instances invoices were paid twice and submitted for reimbursement. In one of those instances the reimbursement was received during the year and the other was received subsequent to year end. This overcharge should be refunded to the grantor.

Management's Corrective Action - The recommendation will be implanted. Also, the Munis software system was installed in December 2007. The system does not allsow entry of a duplicate invoice number.

Section III - Management Letter

Other Matters - Internal Control Over Financial Reporting

08-14 Tagging of Property and Equipment

Recommendations - The School should implement a control process whereby all property and equipment purchased is tagged with a unique asset number. Also, a schedule of tagged assets should be maintained and reconciled to a physical inventory which is performed at least every two years. The requirements for taking a physical inventory of property and equipment at least once every two years are contained in OMB Circular A-110. In order to be in compliance with OMB Circular A-110 during the June 30, 2009 fiscal year, the School will be required to perform a timely physical inventory of property and equipment.

Management Response - The suggested control process will be implemented and in place for fiscal 2009.

Section III - Management Letter (Continued)

Other Matters - Internal Control Over Financial Reporting (Continued)

08-15 Approval of Purchase Orders

Recommendations - The School currently utilizes purchases orders to support the approval for the purchase of goods and services. Some of the purchase orders examined in our testing were approved by the Financial Officer. It is suggested that purchase orders be approved by a management level employee who does not have access to the accounting system in order to prevent any improprieties.

Management Response - The suggested control process will be put in place to have all in excess of a specified dollar amount approved by management other than the Financial Officer or the accounting staff.

08-16 Check Requests

Recommendations - In the earlier part of the fiscal year the School had implemented a control procedure whereby check requests were completed by employees and approved by a management level employee prior to the preparation of checks for signature. This control procedure was terminated during the fiscal year. It is recommended the control procedure be reinstituted in order to assure all disbursements are approved by management prior to a check being prepared for signature.

Management Response - The suggested control process will be put in place to have all approved by as management level employee prior to a check being prepared for signature.

08-17 Budget Feature in Accounting Software

Recommendations - In our review of the various control processes, it was noted that the budget feature in the accounting software was not being utilized for federal grants. We recommend this feature be used to help ensure grant expenditures are within budget limits as prescribed by the Orleans Parish School Board.

Management Response - Software was installed in December 2007. CPA Financial Officer was hired in January 2008 along with a Grant Manager in December 2008. Feature will be used in fiscal 2009.

Section III - Management Letter (Continued)

Other Matters - Internal Control Over Financial Reporting (Continued)

08-18 Vendor Invoice Data Entry

Recommendations - In our review of the accounts payable process it was noted that vendor invoices are entered into the accounting system in a batch process without verification that all invoices were entered properly into the system. We recommend accounting personnel manually foot all vendor invoices and compare the total to the batch total to help ensure all invoices are properly entered into the accounting system.

Management Response -Accounting Personnel will foot all vendor invoices and compare to batch invoice proof list to ensure proper entry of invoices into the accounting system.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:524 – PERFORMANCE AND STATISTICAL DATA)
(UNAUDITED)



Bourgeois Bennett

To the Board of Directors

Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Warren Easton Senior High School Foundation, Inc. (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2008, accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Our engagement to perform agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we have performed are as follows:

Total Instructional and Support Expenditures and Certain Local Revenue Sources (General Fund) (Schedule 1)

- 1) We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenses were classified correctly and were reported in the proper amounts for each of the categories reported on Schedule 1.

No exceptions were noted.

Education Levels of Public School Staff (Schedule 2)

- 2) We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the School's supporting payroll records as of October 1, 2007.

No exceptions were noted.

- 3) We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of principals and assistant principals per this schedule.

No exceptions were noted.

- 4) We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2007, and as reported on this schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on this schedule.

No exceptions were noted.

Number and Type of Public Schools (Schedule 3)

- 5) We obtained a listing showing the schools type as reported on Schedule 3. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.

No exceptions were noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

- 6) We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2007, and as reported on this schedule. We traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience is properly classified on this schedule.

No exceptions were noted.

Public School Staff Data: Average Salaries (Schedule 5)

- 7) We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent which was used to compute average salaries on the schedule. We traced a random sample of 25 teachers' salaries to the individual's personnel file to determine if the individual's salary, extra compensation, and full-time equivalents are properly included on the list.

No exceptions were noted.

- 8) We recalculated the average salaries and full-time equivalents reported in this schedule.

No exceptions were noted.

Class Size Characteristics (Schedule 6)

- 9) We obtained a list of classes by school, school type, and class size as reported on this schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 10 classes to the October 1, 2007 roll books for those classes and determined if the class is properly classified on this schedule.

No exceptions were noted.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

- 10) Not applicable

The Graduation Exit Exam for the 21st Century (Schedule 8)

- 11) We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in this schedule by the School.

No exceptions were noted.

The Iowa and iLeap Tests (Schedule 9)

- 12) We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in this schedule by the School.

No exceptions were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2008.

**TOTAL INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES (GENERAL FUND)**

Warren Easton Senior High School Foundation, Inc.

For the Year Ended June 30, 2008
(Unaudited)

Instructional and Equipment Expenditures

Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,768,937
Other Instructional Staff Activities	75,740
Employee Benefits	624,323
Purchased Professional and Technical Services	7,340
Instructional Materials and Supplies	47,131
Instructional Equipment	<u>-</u>

Total Teacher and Student Interaction Activities \$ 2,523,471

Other Instructional Activities 7,844

Pupil Support Services	-
Less: Equipment for Pupil Support Services	<u>-</u>

Net Pupil Support Services -

Instructional Staff Services	-
Less: Equipment for Instructional Staff Services	<u>-</u>

Net Instructional Staff Services -

School Administration	533,477
Less: Equipment for School Administration	<u>-</u>

Net School Administration 533,477

Total Instructional Expenditures \$ 3,064,792

Total Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes	-
Other than School Taxes	-
Sales and Use Taxes	-

Total Local Taxation Revenue	\$ -
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Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-

Total Local Earnings on Investment in Real Property	\$ -
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State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-

Total State Revenue in Lieu of Taxes	\$ -
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Nonpublic Textbook Revenue	\$ -
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Nonpublic Transportation Revenue	\$ -
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EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**Warren Easton Senior High School Foundation, Inc.**

For the Year Ended June 30, 2008
(Unaudited)

	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	5	-	-	-	-	-	-
Bachelor's Degree	27	62	-	-	-	-	-	-
Master's Degree	12	28	-	-	1	50	-	-
Master's Degree + 30	2	5	-	-	1	50	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	43	100	-	-	2	100	-	-

NUMBER AND TYPE OF PUBLIC SCHOOLS**Warren Easton Senior High School Foundation, Inc.**

For the Year Ended June 30, 2008
(Unaudited)

<u>Type</u>	<u>Number</u>
Elementary	-
Middle/Jr. High	-
Secondary	1
Combination	-
Total	<u>1</u>

**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS,
AND FULL TIME CLASSROOM TEACHERS**

Warren Easton Senior High School Foundation, Inc.

For the Year Ended June 30, 2008
(Unaudited)

	<u>0-1</u> <u>Yr.</u>	<u>2-3</u> <u>Yrs.</u>	<u>4-10</u> <u>Yrs.</u>	<u>11-14</u> <u>Yrs.</u>	<u>15-19</u> <u>Yrs.</u>	<u>20-24</u> <u>Yrs.</u>	<u>25+</u> <u>Yrs.</u>	<u>Total</u>
Assistant Principals	-	-	-	-	1	-	-	1
Principals	-	-	-	-	-	-	1	1
Classroom Teachers	4	4	11	2	9	3	10	43
Total	<u>4</u>	<u>4</u>	<u>11</u>	<u>2</u>	<u>10</u>	<u>3</u>	<u>11</u>	<u>45</u>

PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES**Warren Easton Senior High School Foundation, Inc.**

For the Year Ended June 30, 2008
(Unaudited)

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers Salary Including Extra Compensation	<u>\$ 47,504</u>	<u>\$ 46,573</u>
Average Classroom Teachers Salary Excluding Extra Compensation	<u>\$ 47,322</u>	<u>\$ 46,524</u>
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	<u>42.4</u>	<u>38.4</u>

CLASS SIZE CHARACTERISTICS**Warren Easton Senior High School Foundation, Inc.**

As of October 1, 2007
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	26.61%	66	43.55%	108	20.16%	50	0.81%	2
High Activity Classes	0.81%	2	1.61%	4	3.63%	9	2.82%	7
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM FOR
THE 21ST CENTURY (LEAP)**

Warren Easton Senior High School Foundation, Inc.

For the Year Ended June 30, 2008
(Unaudited)

This schedule does not apply to Warren Easton High School as grade levels for the school are grades 9 through 12.

GRADUATION EXIT EXAMINATION FOR
THE 21ST CENTURY (GEE)

Warren Easton Senior High School Foundation, Inc.

For the Year Ended June 30, 2008
(Unaudited)

<u>School Achievement Level Results</u>		<u>English Language Arts</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 10					
Advanced		-	-	1	1
Mastery		14	6	3	1
Basic		109	49	85	40
Approaching Basic		69	31	80	38
Unsatisfactory		30	14	42	20
Total		<u>222</u>	<u>100</u>	<u>211</u>	<u>100</u>

<u>School Achievement Level Results</u>		<u>Mathematics</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 10					
Advanced		4	2	1	-
Mastery		21	9	10	5
Basic		115	52	105	49
Approaching Basic		48	21	56	26
Unsatisfactory		35	16	43	20
Total		<u>223</u>	<u>100</u>	<u>215</u>	<u>100</u>

**Schedule 8
(Continued)**

<u>School Achievement Level Results</u>		<u>Science</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 11					
Advanced		-	-	-	-
Mastery		5	2	10	5
Basic		62	28	46	24
Approaching Basic		96	43	72	38
Unsatisfactory		60	27	63	33
Total		<u>223</u>	<u>100</u>	<u>191</u>	<u>100</u>

<u>School Achievement Level Results</u>		<u>Social Studies</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 11					
Advanced		-	-	-	-
Mastery		-	-	-	-
Basic		100	45	73	38
Approaching Basic		77	34	51	27
Unsatisfactory		46	21	67	35
Total		<u>223</u>	<u>100</u>	<u>191</u>	<u>100</u>

IOWA AND iLEAP TESTS**Warren Easton Senior High School Foundation, Inc.**

For the Year Ended June 30, 2008
(Unaudited)

<u>School Achievement Level Results</u>		<u>English Language Arts</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 9					
Advanced		-	-	1	1
Mastery		8	4	4	2
Basic		121	60	89	47
Approaching Basic		65	33	71	38
Unsatisfactory		7	3	24	12
Total		<u>201</u>	<u>100</u>	<u>189</u>	<u>100</u>

<u>School Achievement Level Results</u>		<u>Mathematics</u>			
		<u>2008</u>		<u>2007</u>	
<u>Students</u>		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Grade 9					
Advanced		-	-	1	1
Mastery		9	4	6	3
Basic		129	64	63	33
Approaching Basic		42	22	51	27
Unsatisfactory		21	10	68	36
Total		<u>201</u>	<u>100</u>	<u>189</u>	<u>100</u>

2005 was the last year of Iowa testing from 2006 onwards iLeap has taken its place. Therefore, testing of the Iowa tests are not applicable.